

**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF AN APPLICATION BY SRC ENERGY INC. FOR AN ORDER ESTABLISHING AN APPROXIMATE 2,240-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 7 AND 8, TOWNSHIP 5 NORTH, RANGE 66 WEST, 6TH P.M. AND CERTAIN PORTIONS OF SECTIONS 11 AND 12, TOWNSHIP 5 NORTH, RANGE 67 WEST, 6TH P.M., FOR HORIZONTAL WELL DEVELOPMENT OF THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. *To be assigned*

TYPE: SPACING

APPLICATION

SRC Energy Inc., Operator No. 10311 ("SRC" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate 2,240-acre drilling and spacing unit for Sections 7 and 8, Township 5 North, Range 66 West, 6th P.M. and certain portions of Sections 11 and 12, Township 5 North, Range 67 West, 6th P.M. and authorizing the drilling of up to 40 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 5 North, Range 66 West, 6th P.M.

Section 7: All

Section 8: All

Township 5 North, Range 67 West, 6th P.M.

Section 11: N½

Section 12: All

2,240 acres, more or less, Weld County, Colorado.

These lands are hereinafter referred to as the "Application Lands" and depicted in Exhibit A attached hereto.

3. On April 27, 1998, the Commission adopted Rule 318A. which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended to allow interior infill and boundary wells to be drilled and

wellbore spacing units to be established. On August 8, 2011, Rule 318A. was again amended to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A.

4. The online records maintained by the COGCC indicate that numerous vertical and directional wells are currently producing from the Codell and/or Niobrara Formations in the Application Lands, as depicted on Exhibit B attached hereto. Applicant hereby confirms that each of these wells shall remain subject to applicable spacing orders of the Commission, and shall not be affected by Applicant's requested relief under this Application. Proceeds from the sale of oil or gas from these wells shall continue to be distributed based on the applicable spacing orders for these wells. As of the date of this Application, no horizontal wells have been drilled within the proposed unit.

5. Applicant requests the Commission establish the Application Lands as an approximate 2,240-acre drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Codell and Niobrara Formations.

6. Applicant requests it be authorized to drill and complete up to 40 horizontal wells in the approximate 2,240-acre drilling and spacing unit proposed for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

7. Applicant further requests that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the boundaries of the proposed unit, and not less than 150 feet from the southern boundary of the N½ of Section 11, Township 5 North, Range 67 West, 6th P.M., with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, without exception being granted by the Director.

9. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §§34-60-101, *et seq.*, C.R.S., and the Commission rules.

10. Applicant states that any horizontal wells to be drilled under this Application will be drilled from two multi-well pads on the surface of the drilling unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

11. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

12. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing, this Commission enter its order:

A. Establishing an approximate 2,240-acre drilling and spacing unit for Application Lands, and authorizing the drilling of up to 40 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the boundaries of the proposed unit, and not less than 150 feet from the southern boundary of the N½ of Section 11, Township 5 North, Range 67 West, 6th P.M., with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, without exception being granted by the Director.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 11th day of October, 2017.

Respectfully submitted,

SRC ENERGY INC.

By: Jobediah J. Rittenhouse
Jillian Fulcher
James Parrot
Jobediah J. Rittenhouse
Beatty & Wozniak, P.C.
Attorneys for Applicant
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Denver, Colorado 80202
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jfulcher@bwenergylaw.com
jparrot@bwenergylaw.com
jrittenhouse@bwenergylaw.com

Address of Applicant

SRC Energy Inc.
ATTN: Matthew Johnson
1625 Broadway, Suite 300
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO

)

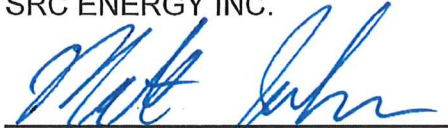
) ss.

CITY & COUNTY OF DENVER

)

Matthew Johnson, Senior Landman with SRC Energy Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

SRC ENERGY INC.



Matthew Johnson

Subscribed and sworn to before me this 11th day of October, 2017, by Matthew Johnson, Senior Landman for SRC Energy Inc..

Witness my hand and official seal.

My commission expires: 1/14/21



Notary Public

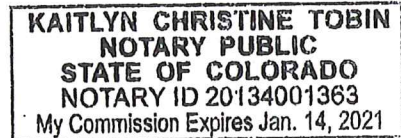


Exhibit A

Reference Map for Spacing Application

Township 5 North, Range 66 West, 6th P.M.

Section 7: All

Section 8: All

Township 5 North, Range 67 West, 6th P.M.

Section 11: N½

Section 12: All

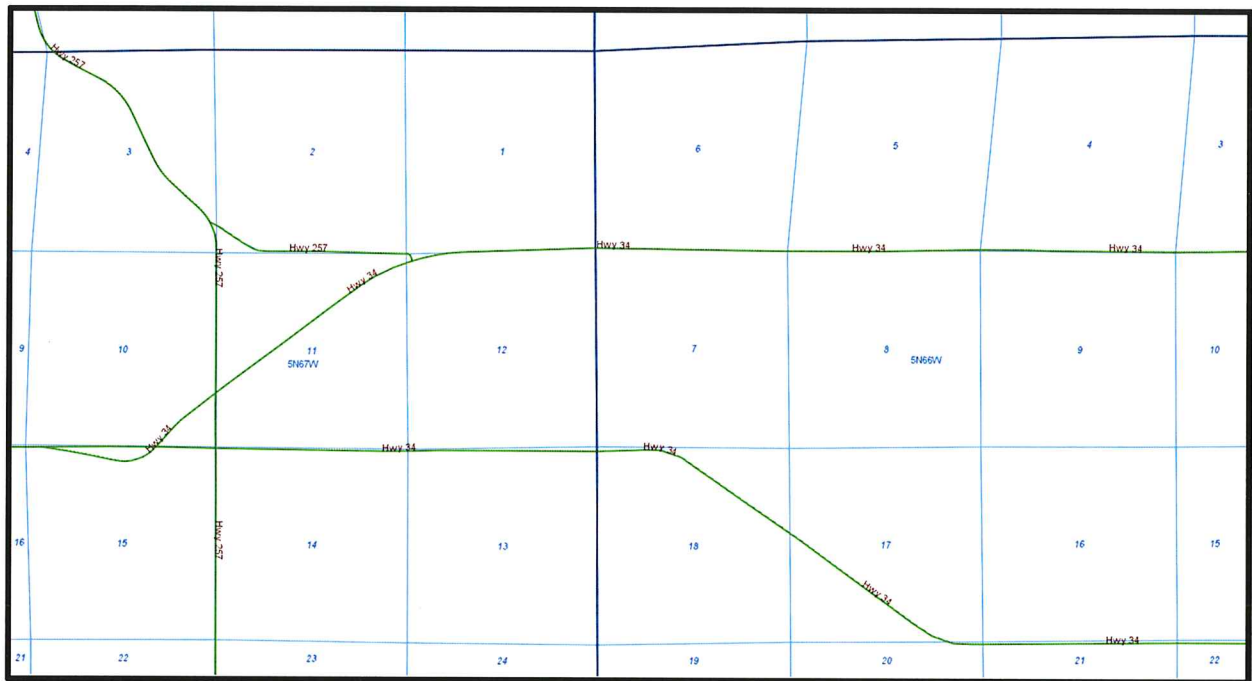


EXHIBIT B

Producing Vertical and Directional Wells

Township 5 North, Range 66 West, 6th P.M.

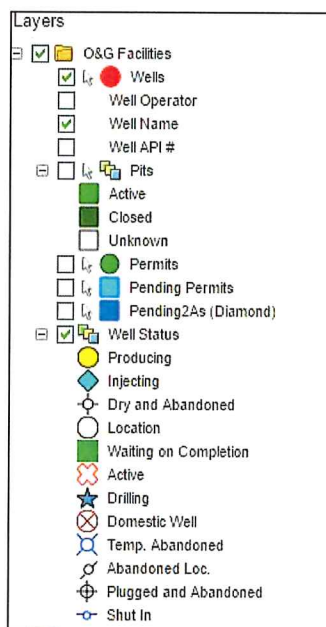
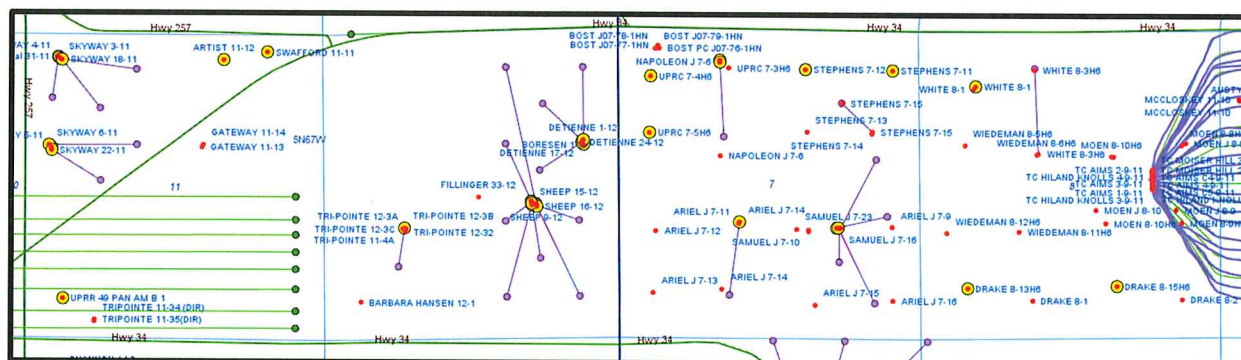
Section 7: All

Section 8: All

Township 5 North, Range 67 West, 6th P.M.

Section 11: N½

Section 12: All



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AND 12, TOWNSHIP 5 NORTH, RANGE 67 WEST,
6TH P.M., FOR HORIZONTAL WELL
DEVELOPMENT OF THE CODELL AND
NIOBRARA FORMATIONS, WATTENBERG
FIELD, WELD COUNTY, COLORADO

TYPE: SPACING

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 18894002026
MY COMMISSION EXPIRES OCTOBER 4, 2021

EXHIBIT A

INTERESTED PARTIES

The names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this Exhibit A.

BARRY L. SNYDER
2600 S. LEWIS WAY SUITE 102
LAKEWOOD, CO 80227

BAYSWATER EXPLORATION
& PRODUCTION, LLC
730 17TH STREET SUITE 610
DENVER, CO 80202

CAROL J. KAPLAN
1125 75TH AVE
GREELEY, CO 80634

DALE BOEHNER
5255 RONALD REAGAN BLVD. #220
JOHNSTOWN, CO 80534

DON RADEMACHER AND
MARY LAFORCE (JTWROS)
7724 W. 19TH ST
GREELEY, CO 80634

DOROTHY JONES LIVING TRUST
1041 50TH AVE
GREELEY, CO 80634

ELIZABETH L. ROSS
7700 W. 19TH ST
GREELEY, CO 80634

EXTRACTION OIL & GAS LLC
370 17TH STREET SUITE 5300
DENVER, CO 80202

GRASS HAWK PARTNERS
10320 SUNRISE BLVD.
OKLAHOMA CITY, OK 73120

JAMES A. RISSER AND
TERESA CANFIELD RISSER (JTWROS)
1903 78TH AVE
GREELEY, CO 80634

JIM L. SISSON AND
ELIZABETH BUCHANAN, (JTWROS)
1942 79TH AVE
GREELEY, CO 80634

JOHN STEIN AND
DAWN STEIN (JTWROS)
1337 71ST AVE
GREELEY, CO 80634

KP. KAUFFMAN COMPANY, INC
1675 BROADWAY SUITE 2800
DENVER, CO 80202

MAUREEN D. BRUCKER
7105 W. 11TH STREET RD.
GREELEY, CO 80634

PAUL JAMES CORY AND
LINDA KATHLEEN CORY (JTWROS)
1109 72ND AVE
GREELEY, CO 80634

RAISA II, LLC
10058 CIRCLEVIEW DRIVE
AUSTIN, TX 79733

ROBERT ALLAN SANDSTROM AND
KRISTEN ANN SANDSTROM (JTWROS)
1904 79TH AVE
GREELEY, CO 80634

SCOTT PETERSEN AND
HEIDI PETERSEN (JTWROS)
7713 W. 19TH ST
GREELEY, CO 80634

STEVE T. CAMPOZ, SR. AND
ROSE MARY CAMPOZ (JTWROS)
1199 76TH AVE
GREELEY, CO 80634

TODD CAMPBELL
1920 79TH AVE
GREELEY, CO 80634

WILLIAM L. MASON AND
DEBORAH GONSIOR MASON (JTWROS)
7704 W. 19TH ST
GREELEY, CO 80634

BRANDON MARETTE, ENERGY LIAISON
COLORADO PARKS AND WILDLIFE
NORTHEAST REGION OFFICE
6060 BROADWAY
DENVER, CO 80216

BAYSWATER BLENHEIM HOLDINGS II, LLC
730 17TH STREET SUITE 610
DENVER, CO 80202

BRETT MEISMER AND
TINA MEISMER (JTWROS)
7701 W. 19TH ST
GREELEY, CO 80634

CHRISTOPHER D. SCHMIDT
1122 9TH ST SUITE 205
GREELEY, CO 80631

DARRELL RALPH HANER
7403 W. 11TH STREET
GREELEY, CO 80634

DONALD B. WAYNE, AS LIFE TENANT
WITH REMAINDER TO DIANNE R. BRENNEMAN
A/K/A DIANNE RENEE LAWRENCE AND
JONATHAN D. WAYNE
7812 W. 19TH STREET RD.
GREELEY, CO 80634

DOUGLAS A. QUARNBERG AND
LAURA L. QUARNBERG (JTWROS)
1918 78TH AVE
GREELEY, CO 80634

ERNEST BROWN AND
PATRICIA BROWN (JTWROS)
1933 79TH AVE
GREELEY, CO 80634

FEDERAL MORTGAGE ASSOCIATION
PO BOX 650043
DALLAS, TX 75265

INCLINE NIOBRARA PARTNERS, LP
5019 N CENTRAL EXPRESSWAY SUITE B
DALLAS, TX 75205

JENNIFER WALKER AND
CHRISTOPHER WALKER (JTWROS)
1155 72ND AVE
GREELEY, CO 80634

JOHN CARLTON WILLIAMS
7803 W. 19TH STREET RD.
GREELEY, CO 80634

KERR-MCGEE OIL & GAS ONSHORE LP
1099 18TH STREET SUITE 1800
DENVER, CO 80202

LYNN M. KENNEDY AND
KENT D. KENNEDY
7804 W. 19TH STREET RD.
GREELEY, CO 80634

NOBLE ENERGY, INC.
1625 BROADWAY SUITE 2200
DENVER, CO 80202

PDC ENERGY, INC.
1775 SHERMAN ST. SUITE 3000
DENVER, CO 80203

RANDY F. MESSICK AND
CAROL L. MESSICK (JTWROS)
1902 78TH AVE
GREELEY, CO 80634

SANDY CREEK MINERALS, LLC,
A TEXAS LIMITED LIABILITY COMPANY
PO BOX 1916
DENVER, CO 80201

SHIRLEY T. ORTIZ-ESTRADA
1910 78TH AVE
GREELEY, CO 80634

TAKU RESOURCES LLC
4343 ORCHARD LANE
CENTENNIAL, CO 80121

WILLIAM A. MORAN
7206 W 12TH ST.
GREELEY, CO 80634

TROY SWAIN
WELD COUNTY
DEPARTMENT OF PLANNING SERVICES
1555 NORTH 17TH AVENUE
GREELEY, CO 80631

KENT KUSTER
OIL & GAS CONSULTANT COORDINATOR
COLORADO DEPARTMENT OF
PUBLIC HEALTH & ENVIRONMENT
4300 CHERRY CREEK DRIVE SOUTH
DENVER, CO 80246-1530